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March 2005

Graduate Medical Education in Connecticut (FY03)

In accordance with Public Act 99-172, this publication is the Office of Health Care Access' (OHCA's) fifth report on GME. Unless otherwise noted, all data cited in this report are from the Office of Health Care Access Hospital Budget System and are by hospital fiscal year (FY) (October 1 through September 30). These filings are reported by the hospitals and reviewed and verified by OHCA.

Graduate medical education, a period of three or more years of post-medical school clinical training, typically occurs in teaching hospitals or other health care settings which provide the clinical environment for the advanced education of physicians and other health professionals under the supervision of a teaching physician.

The federal government is the primary payer of the costs associated with Graduate Medical Education (GME) through the Medicare program. States voluntarily support graduate medical education through their Medicaid programs. In Connecticut, Medicaid provides direct graduate medical education (DGME) payments only, using the same formula used by Medicare. Remaining GME costs are financed by a variety of other sources. This report focuses on the financing by Medicare and Medicaid only, since contributions from third party payers cannot be tracked.

GRADUATE MEDICAL EDUCATION FTEs

In fiscal year 2003, there were 1,729 resident and intern full time equivalent (FTE¹) positions (excluding Connecticut Children's Medical Center²). **Figure 1** shows the number of resident and intern FTEs from 1999 through 2003. Connecticut teaching hospital interns' and residents' salaries, fringes and other program costs totaled \$194.3 million in 2003, at an average of \$112,393 per FTE.

GME DOLLARS TO HOSPITALS — FINANCIAL IMPACT OF GME FUNDING ON HOSPITALS

Overall, GME payments as a percentage of total revenue were 4.6 percent in 2003, (**Figure 2**), reflecting a 9 percent decline from 2002.

Figure 1: Number of Residents (FTEs), FYs 1999 - 2003

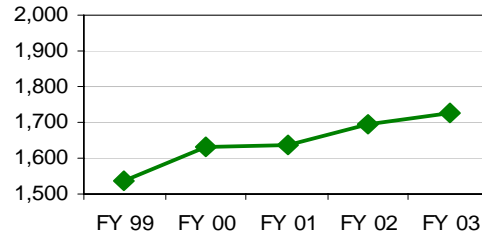
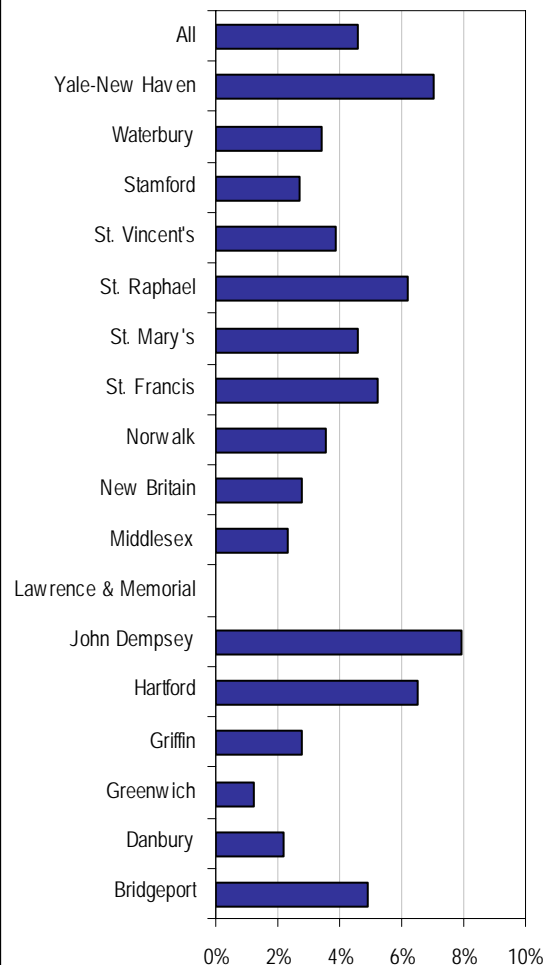
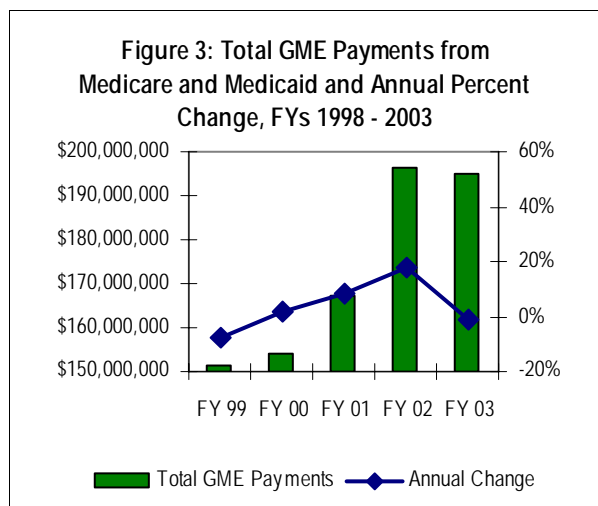


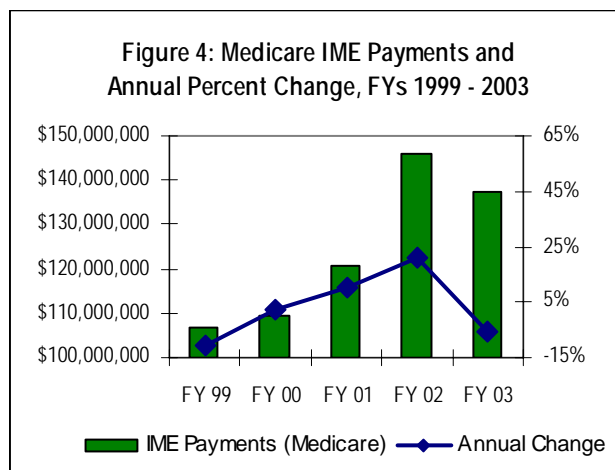
Figure 2: Total GME Payments as a Percentage of Total Revenue from Operations, FY 2003



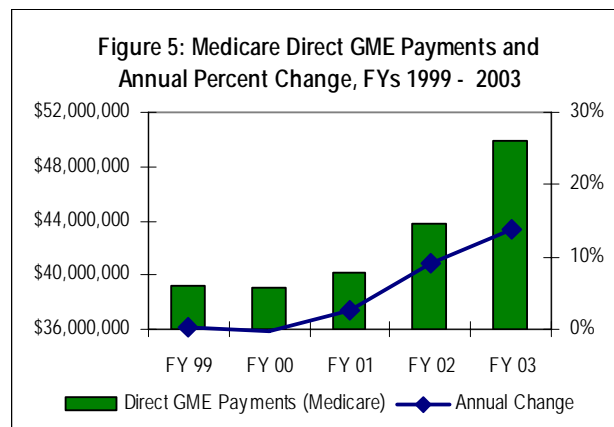
In fiscal year 2003, Connecticut hospitals received approximately \$194.9 million in GME payments from Medicare and Medicaid (**Figure 3**).



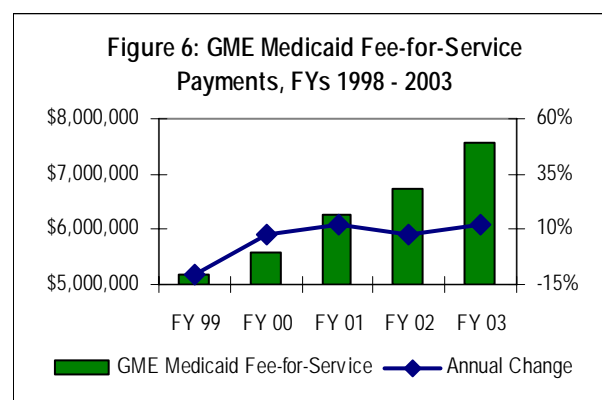
In general, GME payments rose by approximately 29 percent between 1999 and 2003. The payment increases were largely due to growth in Indirect GME (IME) payments (**Figure 4**), the result of rising resident-to-bed ratios. The decline in GME payments between 2002 and 2003 can be attributed to the scheduled reduction (from 6.5 percent to 5.5 percent) in the IME adjustment.



Direct GME (DGME) payments, a small part of hospitals' gross revenues, increased 27 percent between 1999 and 2003, and were almost 14 percent higher than in 2002 (**Figure 5**). The increases were largely due to growth in both the number of full-time residents and interns and the proportion of non-managed care Medicare inpatient days.



Since FY 1999 (the lowest point in the five year period), Medicaid GME payments have risen by 30%, with the largest year-to-year increases occurring between 2000 and 2003 (**Figure 6**).



Source: Connecticut Department of Social Services, Medicaid Cost Settlement Reports

SUMMARY

Seventeen teaching hospitals in Connecticut received approximately \$194.9 million in graduate medical education funding from Medicare and Medicaid in 2003, with Medicare direct and indirect GME payments totaling \$49.9 and \$137.5 million, respectively. Medicaid contributed an additional \$7.5 million in 2003.

NOTES

¹FTE is the derived number of full time equivalent positions rather than a count of actual individuals.

²Connecticut Children's Medical Center (CCMC) GME funds excluded, because children's hospitals do not receive GME funding from Medicare. CCMC received \$4.1 million in 2003 from the Children's Hospitals Graduate Medical Education Payment Program, administered by the Department of Health and Human Services' (HHS) Health Resources and Services Administration (HRSA).